

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: ECF No. 22578

**AAFAF’S STATEMENT REGARDING THE MOTION OF BONISTAS DEL PATIO
FOR PAYMENT OF CERTAIN PROFESSIONAL FEES AND EXPENSES BY THE
COMMONWEALTH**

To the Honorable United States District Judge Laura Taylor Swain:

With regard to the *Motion of Bonistas del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth* (“Bonistas’ Motion”) [ECF No. 22578], AAFAF² states as follows:

1. On October 11, 2022, Bonistas filed the Bonistas’ Motion requesting payment of certain fees and expenses by the Commonwealth.

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474), (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747), and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523 (LTS)) (Last Four Digits of Federal Tax ID: 3801

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Bonistas’ Motion.

2. AAFAF participated in the December 14, 2022 hearing regarding the Bonistas' Motion, and has reviewed the related submissions to the Court by the Oversight Board, the Official Committee of Unsecured Creditors, and Bonistas.

3. AAFAF believes Bonistas played an important and unique role in COFINA's Title III case. Bonistas represented retail, on-Island bondholders' interests, which were not otherwise represented in that case. As AAFAF observed in a prior filing:³ because of the complexity and importance of the COFINA negotiations, a need existed for the interests of local bondholders to be adequately represented in the negotiations.⁴ This subset of bondholders live in Puerto Rico, participate daily in its economy, and are uniquely invested in Puerto Rico's economic recovery.

4. AAFAF also believes that the Bonistas' support for the COFINA Plan, its participation as a party to the COFINA PSA, and its efforts to educate on-Island bondholders regarding the COFINA Plan, greatly benefited the joint effort undertaken by the Oversight Board, AAFAF, and creditor parties to confirm the COFINA Plan.

5. Obtaining overwhelming support from on-Island bondholders was important not only for legal confirmation of the COFINA Plan, but also helped ensure that the first confirmed Title III plan had buy-in from affected on-Island stakeholders. And, of course, as the Court knows, confirmation of the COFINA Plan greatly benefitted the Commonwealth by resolving a major dispute and providing greater revenue to the Commonwealth. This, in turn, provided the Commonwealth with more resources to satisfy creditors and confirm its own successful plan of adjustment.

³ See *Response of the Puerto Rico Fiscal Agency and Financial Advisory Authority to the Official Committee of Unsecured Creditors' Urgent Response to Informative Motion [Docket No. 584]* [ECF No. 5117], ¶ 4.

⁴ Moreover, as AAFAF stipulated on February 11, 2019 [ECF No. 5097], AAFAF believes the Bonistas Expenses are "expenses" within the meaning of Section 15.2 of the COFINA Plan and are payable by the Commonwealth.

6. Fundamentally, AAFAF believes there is a factual predicate for the Commonwealth paying the Bonistas' Expenses. Given the many benefits the settlement of the Commonwealth-COFINA Dispute provided to the Commonwealth, and the critical role Bonistas played in the development, negotiation, confirmation and consummation of the plan and the compromise and settlement of that dispute, AAFAF does not object to payment.

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Dated: January 31, 2023
San Juan, Puerto Rico

Respectfully submitted,

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